

wear and tear, with hat previously noted on the move-in check list, and determine whether the resident is responsible for the reimbursement of repair costs. Prior to re-renting the unit, the Maintenance supervisor will take the check list, make all necessary repairs, have the unit painted, thoroughly cleaned, and check all equipment and appliances for proper operations.

- D. A comprehensive interior painting schedule will be maintained for the development. All apartments that have been continuously occupied by the same resident will be redecorated every three years, and all vacated apartments will normally be painted prior to re-occupancy. In addition to scheduling painting, the area surfaces are painted as necessary to maintain the development. The exterior of all buildings (when necessary) and all entrances, including the frames, doors and overhangs (when necessary) should be painted at least every three (3) years.

E. Trash Removal

Trash removal will be handled by the sanitation Department of the city of New York.

F. Major Repairs

Major Repairs that cannot be handled by the onsite maintenance staff will be contracted. Dalton Management Co. Executive will determine proper corrective action. Dalton Management will solicit bids from minority and other contractors who have proven cost, will be the criterion for approval of bids by Dalton Management.

All bids will be handled according to the requirement for the NYS Division of Housing.

G. Exterior Cleaning

A schedule of cleaning of sidewalks and general grounds will be posted and adhere to. Daily cleaning three (3') from the curb will be implemented.

H. Building and common areas

I. Resident Request

All maintenance work repair request will be taking by the superintendent either by telephone or in person at the site during regular business hours. These will be recorded on a duplicated work ticket and a copy issued to the appropriated staff person or contractor. The original will remain in the on-site office. When the repairman completes the necessary repairs on this signed by him also, to the maintenance office. All repair orders will be picked up and returned to the superintendent daily.

The superintendent must file completed orders and make sure a record is kept of incomplete orders, which will be followed up to assure the ordering of parts and maintenance service as needs.

Emergency maintenance calls during the time the maintenance office is closed will be taken by maintenance or security personnel on duty for that time, who will immediately take the appropriate action.

An emergency maintenance problem is one that if not corrected without delay, would clearly constitute a safety or health hazard or would cause damage. An emergency telephone list will be furnished to the Maintenance supervisor superintendent and Security staff.

It is also understood that in the event of fire, flood, personal injury, or other serious problems involving insurance, that the Owner and its insurance company will be advised immediately. So that the time of maintenance employees will be expended only on projects, which require their skills, Dalton Management will provide residents with a printed handout explaining procedures for care and cleaning of all appliances. In conjunction with previously described maintenance plans, Dalton Management will institute a system of maintenance reporting and control which will identify excessive costs, faulty equipment, lost time or ineffective maintenance Personnel.

IV. FINANCIAL MANAGEMENT AND REPORTING

All accounting and bookkeeping functions will be handled by Dalton Management's accounting staff under the supervision of our controller Ronald C. Dawley. Dalton Management will maintain a Comprehensive set of books and records for the project

in a manner satisfactory to Owner, DHCR and HUD. Accounts payable/ accounts receivable and general ledger will also be handled out of our main office.

Internal Control Framework

Dalton Management has a comprehensive internal control system to ensure that operation and capital funds are only used for its intended purpose

Our current accounting software package is specifically designed to comply with generally accepted accounting principles ("GAAP"), DHCR and HUD compliance requirements. The internal control structure of Dalton Management is setup to achieve the following objectives:

- Reliability of financial reporting
- Effectiveness and efficiency of operations
- Compliance with applicable laws and regulations

These objectives will be achieved by having the following elements as key ingredients for all internal control structure: the control environment, the accounting system, and control procedures.

The control environment represents the collective effects of various factors on establishing, enhancing or mitigating the effectiveness of certain policies and procedures. Some these factor include:

- Management's philosophy and operating style
- Dalton Management organizational structure
- Method of assigning certain authority and responsibilities
- Management's control methods for monitoring and following up on performance
- External factors that affect Dalton managements operations and practices, such as HUD and DHCR.

Our control environment reflects management's overall attitude, awareness and actions to provide practical and top-quality service to the Owner.

Dalton Management's accounting system is designed to identify, assemble, analyze, classify, record, and report all transactions and to

maintain accountability for the related assets and liabilities. Our accounting system gives appropriate consideration to establishing method and records that will:

- Identify and record all valid transactions
- Describe on a timely basis the transactions in sufficient details to permit the proper classification for a financial reporting purposes.
- Measure the value of transactions in a manner that permits recording their proper monetary value in financial reports
- Determine the proper accounting period in which transaction should recorded
- Present accurate and timely financial reports to Owner, DHCR and HUD as required by the contracts, and regulations.

Control procedures are those policies and procedures that management has established to provide reasonable assurance that specific entity objectives will be achieved. Our control procedures have various objective and are applied at various organizational and data processing levels. These procedures are integrated with specific components of the components of the environments and the accounting system. Generally, these procedures pertain to the following:

- The proper authorization of transactions and activities
- Segregation of duties that reduce and opportunities to allow any person be in a position to both perpetrate and conceal errors in irregularities in the normal course of his duties-assigning different people the responsibilities of authorizing transactions, recording transactions and maintaining custody of assets.
- Design and use of adequate documents and records to help ensure the of pre-numbered purchase orders
- Adequate safeguards over access to and use of assets and records, such as secured facilities and authorization for access to computer programs and data files independent checks on performance and proper valuation of recorded amount such as clerical checks reconciliation's comparison of assets with recorded accountability, computer programmed controls, management review of reports that summarize the details of account balances (for example, an aged trail balance of tenant receivables), and user review of computer generated report.

A system of financial budgeting and variance reporting is used as a major management tool.

Dalton Management plans to implement a fully automated accounting system. Our current system a Dell power edge 2300-server use by Murray software, which comes highly, recommended within the industry. The software is designed to comply with GAAP, HUD and DHCR and other regulatory financial reporting requirements. Our system and implementation approach is designed to address the significant accounting function that are relevant to producing the necessary compliance and reporting requirement in accordance with the contract

We have identified the significant accounting functions as follows:

General Ledger Controls

1. Cash disbursement controls
2. Cash receipt controls

Our computer system is designed to address these accounting functions. When properly implemented our system will meet all expectations of DHCR regulations and HUD Handbook 4370 "uniform system of accounts for cooperative Housing Corporations Using Manual and Computer Accounting System" and other regulator agreements.

3. General ledger-The BJ Murray general ledge is a fully integrated software package that will enable users to perform their day to day functions in a most productive environment. Transactions posted to Sub-ledgers each will be automatically updated to the general ledge at the end of each business day. Appropriate backup and storage procedure will be implemented to ensure hi date files can be easily restored if loss or damaged. The Controller will to the general ledger are accurately done.

Each month the general ledge and all subsystems will be close in order to run and prepare financial reports as required by the Owner and DHCCR the projects accountants will run the necessary reports, review them and

then submit the reports to the accounting director for final review and approval. Unusual and material items that appear unreasonable will be investigated and resolved by each respective project accountant.

4. Cash disbursement-we will implement a full purchase order ("PO") system to ensure that all goods and services are pre-approved before requested. An effective PO system, when utilized properly, provides management the necessary tools to monitor the operation budgeting better. Problem areas are quickly identified so that actions can take place.

All requests for goods/services must go through the PO system. A senior officer of Dalton Management will approve PO's before the goods/services are delivered or performed. Services provided by outside vendors must be reviewed and approved by site managers before billing is to occur and all necessary documents must be submitted to the site manager and Dalton Management Executive for approval. Once approved, they are sent to the accounting department for posting to accounting payable.

The project accountant will maintain cash position reports showing the available cash for each project. Checks are computer generated through the HJ Murry Software system by selecting which invoices are to be paid. Checks are then reviewed and approved by the controller. Items selected for payment without the proper documentation will be investigated further before the checks are issued to a vendor.

The controller is responsible for ensuring that bank statements are timely reconciled. Reconciling items that appear on a bank statement will be investigated and resolved before submitting for approval. The controller, at month end, should review all bank reconciliation for the reasonableness and completion.

Invoices paid will be properly canceled with check number, check amount and check dates, in order to avoid duplicate payments. Our computer system is designed to ensure that the accounts payable/cash disbursement systems are in compliance with regulatory agreements. We have developed appropriate internal

control procedures to ensure that transaction are recorded in accordance with DHCR and HUD regulations.

Cash Reception-

A billing file will be created ten to twelve days before the end of the month. The file will include all possible tenants to be billed. Rent bills will be generated and sent to the site manager where they will be distributed to the tenants. Tenants will send rent payments directly to a P.O. box.

Variance Reports

A budget variance report will be generated and will provided information on the projects income and expenses against the budgets, as well as year to date. In this way, the Owner and manager is provided with the information necessary to take appropriate action to manage the site within budget and Dalton Management can more easily monitor the budget.

V. Plans for resident / management relations

A. We will hold regular meetings with the Owner, issue regular newsletters to keep the residents informed and insure that their concerns are promptly respond to.

B. Rent Collection Policies & Eviction procedures

The rent collection policy for the development will be firm, yet understanding in its application, with a system of reminders and counseling. If Dalton Management is unsuccessful in securing rent payment, commencement of legal action leading to eviction will be taken. Policies and procedures regarding collection and payment of rents will be clearly communicated to all residents in compliance with all federal, state, and city regulation.

It is the policy of Dalton Management to promote full and prompt payment from each resident in an atmosphere of fairness to all resident. Only by promulgation and structured enforcement of such policy can rental income be kept at a level

sufficient to maintain the property and provide services to the project.

The rent collection policy will be applied evenly to all tenants it is a message a of fairness to everyone which enables Dalton management to ascertain when real individual problems exist for which help may be available. Management is aware that rent payment difficulties will happen and are anticipated.

Special problems of resident will be considered on an individual basis. Suitable arrangements will be made of handle them. In a manner consistent with a prompt payments policy to ensure continual financial viability of the project

VI.

All supplies are requisitioned by the maintenance supervisor and submitted to the site manager for approval. Approved requisition, re sent to the home office for final approval. The supplies are then ordered form a pre-approved list of vendors.

The Maintenance supervisor is responsible for matching the received supplies to the purchase order. Invoices are mailed directly to the home office and match to the receiver and approved by the site manager.

All invoices are reviewed by the assistant controller prior to being entered into the account payable journal. The outstanding accounts payable are review weekly by the controller and a Dalton Management Co owner for approval and payment.

All contracts re centrally administered. This assures that each submission to DHCR is proper and complete, minimizing delays in agency approval. Every step in the contracting process is supervised by a senior Dalton Management Executive. We work closely with the site staff to insure their knowledge of the housing company is fully utilized in developing specifications.

Inventory

A well-managed inventory is essential to a good maintenance process. A small inventory of supplies will be maintained on site. The minimum number of goods will be determined by calculating:

1. Lead time necessary from the decision to buy, through the ordering/purchasing processes, to actual delivery.
2. The amount of goods needed, per day, per week, etc., to cover lead time.
3. An extra margin for safety so there will be no chance that the development runs out.
4. Break points by quantity for price changes and then program the inventory and purchasing process so that a certain amount of goods necessary to current use, are ordered whenever that minimum is reached.

Dalton Management will make periodic spot checks on the inventory record.

Certain inventory items must be kept on hand at all times, for example:

- Plumbing parts
- Electrical equipment
- Stove
- Rollers parts
- Toilet parts
- Light bulbs
- Filters

VIII. RENTAL OF VACANT APARTMENTS

Dalton Management will be responsible for the following activities:

1. Prepare a move-in checklist on each vacant apartment.
2. Maintenance supervisor will evaluate all make-ready needs.
3. Apartments will be thoroughly cleaned, freshly painted and all necessary repairs completed prior to new tenants' move-in.
4. Applicants will be pre-qualified, with credit and references verified.
5. Dalton Management will assist new resident in all phases of their move-in.
6. Dalton management will sign and execute all required documents.
7. Dalton will complete and process occupant's affidavit of income as required on an annual basis.

8. Dalton management will maintain an application list sufficient enough waiting to meet the anticipated vacancies based upon prior experience.

IX. CHANGES IN THE PLAN

All changes in the management plan, including changes in staff, are subject to the approval of the Owner and DHCR, and HUD.

X. DHCR REQUIREMENTS

It is understood that a copy of the official compilation of Codes Rules and Regulations of the state of New York, which contain Article II of the private Housing finance Law Part 1700 of 9 executives C of the Codes, rules and Regulations will be kept on site and in the home office. The agent is fully responsible for the internalization and the application of the contents of parts 1700 of 9 executives C.

XI. EQUAL OPPORTUNITY

It is the policy of the management agent to interview and hire members of its management team without regard to race, color, creed or national origin. From the community whenever possible.

Dalton Management is an equal opportunity employer and complies with all federal, state, and city laws prohibiting discriminatory practices in housing and employment as set forth in the title VI of the Civil Rights Acts of 1964, anti-discrimination regulation of Department of housing and Urban Development, executive Order #11063

EXHIBIT I

JUL 4 2008 1:51PM

V. 111 P. 1

CHURCH HOME ASSOC.

NEW YORK, NY

19926

BLDG RANGE: 010 TO 010

CUMULATIVE G/L - CASH BASIS

FROM: 01/01/2006 TO: 12/31/2006

FISCAL BEGINNING 1

PAGE: 42

PERIOD ENDING: 12/31/2006

RUN DATE: 04/04/2007

RUN TIME: 11:58:35

B. ACCT	ACCOUNT NAME	POSTED DATE	B.O.Y BAL	CURRENT DEBITS	CURRENT CREDITS	NET CHANGE	Y.T.D. BAL
	PAYROLL W/E 10-22-06	10/31/06	16 J 3078		20.00		
	PAYROLL W/E 11-29-06	11/30/06	16 J 5154		25.00		
	PAYROLL W/E 11-5-06	11/30/06	16 J 5155		25.00		
	PAYROLL W/E 11-13-06	11/30/06	16 J 5156		25.00		
	PAYROLL W/E 11-19-06	11/30/06	16 J 5157		25.00		
	PAYROLL W/E 11-26-06	11/30/06	16 J 5158		25.00		
	PAYROLL W/E 12-3-06	12/31/06	16 J 5301		25.00		
	PAYROLL W/E 12-10-06	12/31/06	16 J 5303		25.00		
	PAYROLL W/E 12-17-06	12/31/06	16 J 5304		25.00		
	PAYROLL W/E 12-24-06	12/31/06	16 J 5305		25.00		
						1921.21	1921.21
010-6520	REPAIR CONTRACTS						
	ALL ABOUT GLASS & WI	2/17/06	11 R 4253	DALTE6 HALLWAYS 3RD FL.	069.22		
	ALL ABOUT GLASS & WI	2/17/06	11 R 4252	DALTE6 SF GLASS repair	170.82		
	ALL ABOUT GLASS & WI	2/17/06	11 R 4253	DALTE6 HALLWAYS r	335.56		
	ALL ABOUT GLASS & WI	2/17/06	11 R 4253	DALTE6 GLASS	214.58		
	ALL ABOUT GLASS & WI	3/ 1/06	11 R 4253	DALTE6	70.44		
	ALL ABOUT GLASS & WI	3/ 1/06	11 R 4268	DAVE	367.39		
	ALL ABOUT GLASS & WI	3/ 1/06	11 R 4253			-889.21	
	ALL ABOUT GLASS & WI	3/ 1/06	11 R			-178.83	
	ALL ABOUT GLASS & WI	3/ 1/06				-336.86	
	ALL ABOUT GLASS & WI	3/ 1/06				-214.58	
	ALL ABOUT GLASS & WI	3/ 1/06				-70.44	
	E. TURNER INTERIOR C	3/ 9/06					
	ALL ABOUT GLASS & WI	5/ 1/06	1				
	ALL ABOUT GLASS & WI	5/ 1/06	11				
	ALL ABOUT GLASS & WI	5/ 1/06	11				
	VICTORIA RESTORATION	6/16/06	11 R				
	VICTORIA RESTORATION	6/16/06	11 R 4				
	ATEC CONTRACTING	7/25/06	11 R 44.				
	SUPERIOR PROTECTION	7/25/06	11 R 4431				
	VICTORIA RESTORATION	7/25/06	11 R 4434				
	HERSTER IRON WORKS	7/25/06	11 R 4436				
	SUPERIOR PROTECTION	7/25/06	11 R 4433				
	SUPERIOR PROTECTION	8/ 1/06	11 R 4441				
	SUPERIOR PROTECTION	10/16/06	11 R 4528				
	MULTI-PAK CORPORATION	10/16/06	11 R 4519				
	ROEL SPRINKLER MAINT	10/16/06	11 R 4525				
	SUPERIOR PROTECTION	11/17/06	11 R 4565				
	ALL ABOUT GLASS & WI	11/17/06	11 R 4547				
	ALL ABOUT GLASS & WI	12/18/06	11 R 4500				
	SUPERIOR PROTECTION	12/18/06	11 R 4603				
						61003.45	61003.45
010-5522	DECORATING CONTRACTS						
	PORCELAIN REFINISHING	2/17/06	11 R 4261				
	W-A- RESTORATION INC	3/ 9/06	11 R 4282				

Jun 4, 2008 1:55PM

No. 1711 P. 2

CHURCH HOMES ASSOC.

NEW YORK, NY

10026

BLDG RANGE: 010 TO 010

CUMULATIVE G/L - CASH BASIS

FROM: 01/01/2006 TO: 12/31/2006

FISCAL BEGINNING 1

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BL	ACCT	ACCOUNT NAME	POSTED DATE	B O Y BAL	CURRENT DEBITS	CURRENT CREDIT	NET CHANGE	Y.T.D. BAL
		M-A- RESTORATION INC	3/ 9/06	11 R 4202	3798	3H PH PAINT	152.73	
		M-A- RESTORATION INC	3/ 9/06	11 R 4202	3779	10P VACANCY	1357.40	
		M-A- RESTORATION INC	3/ 9/06	11 R 4202	3777	6H PAINT	298.03	
		M-A- RESTORATION INC	3/ 9/06	11 R 4202	3776	10P REPAIR	1810.11	
		M-A- RESTORATION INC	3/ 9/06	11 R 4202	3793	3D decorating contract	1601.00	
		M-A- RESTORATION INC	3/ 9/06	11 R 4202	3793	5D decorating contract	1609.37	
		M-A- RESTORATION INC	3/ 9/06	11 R 4202	3791	3D decorating contract	1834.48	
		M-A- RESTORATION INC	3/ 9/06	11 R 4202	3790	5D decorating contract	894.09	
		PORCELAIN REFINISHING	3/23/06	11 R 4304	18710	3H TUB REFINISH	270.94	
		M-A- RESTORATION INC	3/23/06	11 R 4301	1840	4M decorating contract	482.27	
		M-A- RESTORATION INC	3/23/06	11 R 4301	1841	6C decorating contract	458.53	
		M-A- RESTORATION INC	3/23/06	11 R 4301	1842	9A decorating contract	125.13	
		M-A- RESTORATION INC	3/23/06	11 R 4301	1842	5D decorating contract	682.76	
		M-A- RESTORATION INC	3/23/06	11 R 4301	1843	4THFL HALLWAY	270.94	
		M-A- RESTORATION INC	5/ 1/06	11 R 4343	1895	4M decorating contract	742.37	
		M-A- RESTORATION INC	5/ 1/06	11 R 4343	1898	decorating contract	533.59	
		M-A- RESTORATION INC	5/ 1/06	11 R 4343	1891	5C decorating contract	598.40	
		M-A- RESTORATION INC	5/ 1/06	11 R 4343	1890	7D decorating contract	650.00	
		M-A- RESTORATION INC	5/ 1/06	11 R 4343	1887	10H decorating contract	576.26	
		M-A- RESTORATION INC	5/ 1/06	11 R 4343	1888	3D decorating contract	550.13	
		M-A- RESTORATION INC	5/ 1/06	11 R 4343	1887	1M decorating contract	480.59	
		M-A- RESTORATION INC	5/ 1/06	11 R 4343	1886	3T decorating contract	394.73	
		PORCELAIN REFINISHING	5/ 1/06	11 R 4346	16443	10P TUB REFINISHING	270.94	
		M-A- RESTORATION INC	6/26/06	11 R 4308	18425	6L decorating contract	270.94	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1842	3D decorating contract	347.64	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1843	10P decorating contract	514.78	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1823	HALLWAY decorating con	1273.41	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1822	3L decorating contract	500.36	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1821	4M decorating contract	254.68	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1820	5A decorating contract	644.83	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1826	10P decorating contract	3990.31	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1844	1T decorating contract	407.69	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1875	8G decorating contract	514.78	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1873	11F decorating contract	509.36	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1874	2L decorating contract	189.68	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1872	6H decorating contract	590.64	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1871	3D decorating contract	113.79	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1870	COMM ROOM decorating c	4204.95	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1869	5F decorating contract	725.11	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1868	5D decorating contract	2380.31	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1876	7THFL PAINT	352.22	
		M-A- RESTORATION INC	6/26/06	11 R 4308	1877	COMM RM. PAINT	393.03	
		M-A- RESTORATION INC	7/25/06	11 R 4423	1892	2C decorating contract	2145.93	
		M-A- RESTORATION INC	7/25/06	11 R 4423	1893	11M decorating contract	2980.51	
		M-A- RESTORATION INC	7/25/06	11 R 4423	1894	7C decorating contract	571.05	
		M-A- RESTORATION INC	9/18/06	11 R 4468	1900	2E PAINT	468.01	
		M-A- RESTORATION INC	9/18/06	11 R 4468	1910	2H PAINT	365.52	
		M-A- RESTORATION INC	9/18/06	11 R 4468	1911	10TH FLOOR HALLWAY PAI	636.16	
		M-A- RESTORATION INC	9/18/06	11 R 4468	1908	1H PAINT	1240.89	
		M-A- RESTORATION INC	9/18/06	11 R 4468	1907	9A PAINT	634.49	

Jun. 4. 2008 1:52PM

V. 1711 P. 3

CHURCH HOME ASSOC.

NEW YORK, NY

10026

WLOS RANGE: 014 TO 016

CUMULATIVE G/L - CASH BASIS

FROM: 01/01/2006 TO: 12/31/2006

FISCAL BEGINNING 1

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PERIOD ENDING: 12/31/2006

RUN DATE: 04/04/2007

RUN TIME: 11:58:35

L. ACCT	ACCOUNT NAME	POSTED DATE	3.0.Y. BAL	CURRENT DEBITS	CURRENT CREDITS	NET CHANGE	Y.T.D. BAL
M-A- RESTORATION INC	9/18/06	11 R 4488	4006	01 PAINT		722.69	
M-A- RESTORATION INC	9/18/06	11 R 4488	4005	11K PAINT		652.42	
M-A- RESTORATION INC	9/18/06	11 R 4488	4004	10P VACANT PAINT		125.47	
M-A- RESTORATION INC	9/18/06	11 R 4488	4003	10L PAINT		325.86	
M-A- RESTORATION INC	9/18/06	11 R 4488	4002	3F VACANT PAINT		883.26	
M-A- RESTORATION INC	9/18/06	11 R 4488	4001	10G BATH TILSE GROUTIN		301.65	
M-A- RESTORATION INC	9/18/06	11 R 4488	4000	2E PAINT		574.39	
M-A- RESTORATION INC	9/18/06	11 R 4488	4009			381.78	
M-A- RESTORATION INC	9/18/06	11 R 4488	4012	3A REPAIR REPLACE TILE		373.73	
M-A- RESTORATION INC	10/16/06	11 R 4518	4054	06 PRIME/PLASTER		704.44	
M-A- RESTORATION INC	10/16/06	11 R 4518	4055	SUPER SHOP 4 DOORS		325.13	
PRO CONCRETE CONTRAC	10/16/06	11 R 4523	5582	PARK LOT/SINK HOLE		2900.00	
PRO CONCRETE CONTRAC	11/28/06	11 R 4569	5611	REMOVE TRIP HAZARD		1500.00	
M-A- RESTORATION INC	11/17/06	11 R 4556	4111	27 PLAST BATHRM		525.62	
M-A- RESTORATION INC	11/17/06	11 R 4556	4112	11E ROOF LEAK REPAIR		812.81	
M-A- RESTORATION INC	11/17/06	11 R 4556	4113	8J PAINT/PLAST/PRIME		340.30	
M-A- RESTORATION INC	11/17/06	11 R 4556	4114	5N PAINT/PLAST/PRIME		375.31	
M-A- RESTORATION INC	11/17/06	11 R 4556	4115	5N CYCLE PAINT APT		460.39	
M-A- RESTORATION INC	11/17/06	11 R 4556	4116	03 REFL SNET/ROCK/TILE		812.81	
M-A- RESTORATION INC	11/17/06	11 R 4556	4117	10M CYCLE PAINT APT		460.39	
M-A- RESTORATION INC	11/17/06	11 R 4556	4118	7L REPLA SNET/ROCK/TIL		812.81	
M-A- RESTORATION INC	11/17/06	11 R 4556	4122	11E REFL APT FLOOR TTL		1700.19	
M-A- RESTORATION INC	11/17/06	11 R 4556	4124	5N PAINT/PLAST BEDRM		677.34	
M-A- RESTORATION INC	11/17/06	11 R 4556	4124	SUPER SHOP PAINT/GRAPT		370.94	
M-A- RESTORATION INC	11/17/06	11 R 4556	4123	ALL HALLWAYS PAINT/PLA		2576.38	
M-A- RESTORATION INC	11/17/06	11 R 4556	4124	LDRYRM PAINT/PLAST/PR		1498.20	
M-A- RESTORATION INC	11/17/06	11 R 4556	4125	7M PAINT/PLAST/PRIME		783.55	
M-A- RESTORATION INC	11/17/06	11 R 4556	4125	2D PAINT/PLAST PRIME		291.53	
M-A- RESTORATION INC	11/17/06	11 R 4556	4127	3D PAINT BDRM/XTCH/HAL		352.32	
M-A- RESTORATION INC	11/17/06	11 R 4556	4128	0H PAINT/PLAST/STUCCO		752.12	
M-A- RESTORATION INC	11/17/06	11 R 4556	4129	7A PAINT/PLAST/PRIME		346.00	
M-A- RESTORATION INC	11/17/06	11 R 4556	4135	20 PAINT PRIME		536.46	
M-A- RESTORATION INC	11/17/06	11 R 4556	4136	6K PAINT/PLAST REPAIR		743.84	
M-A- RESTORATION INC	11/17/06	11 R 4556	4137	11TH FL PAINT/PLAST		254.60	
M-A- RESTORATION INC	11/17/06	11 R 4556	4138	6A PAINT/PLAST		723.05	
M-A- RESTORATION INC	11/17/06	11 R 4556	4139	6H PAINT/PLAS/PRIM/STU		132.96	
M-A- RESTORATION INC	11/17/06	11 R 4556	4140	11C PAINT/PLAST/STUCCO		495.41	
M-A- RESTORATION INC	11/17/06	11 R 4556	4141	1Q PAINT/PLAST/PRIME		276.36	
M-A- RESTORATION INC	11/17/06	11 R 4556	4142	1X PAINT/PLA/PR/STUCC		229.71	
M-A- RESTORATION INC	11/17/06	11 R 4556	4143	10D PAINT/PLAST/PRIME		352.72	
M-A- RESTORATION INC	11/17/06	11 R 4556	4144	10C PAINT/PLAST/PRIME		286.95	
M-A- RESTORATION INC	11/17/06	11 R 4556	4145	9M CYCLE PAINT		758.63	
M-A- RESTORATION INC	11/17/06	11 R 4556	4146	7A PAINT/PLAST PRIME		367.39	
M-A- RESTORATION INC	11/17/06	11 R 4556	4147	5N BEDRM PLAS/PRIM/STU		1026.31	
M-A- RESTORATION INC	11/17/06	11 R 4556	4148	2P PAINT/PLAST		503.94	
M-A- RESTORATION INC	11/17/06	11 R 4556	4149	9F PAINT/PLAST/PRIME		189.66	
M-A- RESTORATION INC	11/17/06	11 R 4556	4150	8L PAINT/PLAST/PRIME		525.13	
M-A- RESTORATION INC	11/17/06	11 R 4556	4151	8,9 FL PAINT/PLAS/PRIM		455.28	
M-A- RESTORATION INC	11/17/06	11 R 4556	4152	9A PAINT/PLAS/PRIM/XTU		747.79	
M-A- RESTORATION INC	11/17/06	11 R 4556	4153	3A PAINT/PLAST/STUCCO		839.91	

Jun. 4. 2008 1:52PM

No. 171 P. 4

CHURCH HOME ASSOC.

NEW YORK, NY

10026

BLOC RANGE: 010 TO 010

CUMULATIVE G/L - CASH BASIS

FROM: 01/01/2005 TO 12/31/2006

FISCAL BEGINNING 1

PAGE: 45

PERIOD ENDING: 12/31/2006

RUN DATE: 06/04/2007

RUN TIME: 11:58:35

Q. ACCT	ACCOUNT NAME	POSTED DATE	B.O.Y BAL	CURRENT DEBITS	CURRENT CREDITS	NET CHANGE	% T.D.BAL
	M-A- RESTORATION INC 11/17/06	11 R 4556	4154	10G PAINT/PLAST/PRIME	799.81		
	M-A- RESTORATION INC 11/17/06	11 R 4556	4155	10H PAINT/PLAST/STUCCO	799.81		
	M-A- RESTORATION INC 11/17/06	11 R 4556	4160	7G PAINT 2 BDRM APT	346.80		
	M-A- RESTORATION INC 11/17/06	11 R 4556	4161	9H PAINT/PLAS/PR/STUC	693.50		
	M-A- RESTORATION INC 11/17/06	11 R 4556	4162	1M PAINT/PLAST APT	441.09		
	M-A- RESTORATION INC 11/17/06	11 R 4556	4163	7J PAINT/PLAST	601.48		
	M-A- RESTORATION INC 12/18/06	11 R 4558	4171	6E PAINT/PLAST SHE/ROCK	383.65		
	M-A- RESTORATION INC 12/18/06	11 R 4558	4174	1T PAINT APT	541.88		
	M-A- RESTORATION INC 12/18/06	11 R 4558	4175	8F PAINT APT	541.88		
	M-A- RESTORATION INC 12/18/06	11 R 4558	4176	9A SHE/ROCK-TILEE-PLAS	541.88		
	M-A- RESTORATION INC 12/18/06	11 R 4558	4177	5Z PAINT/PLAST/PLUMB	827.19		
	M-A- RESTORATION INC 12/18/06	11 R 4558	4178	5H PAINT/PLAST	243.84		
	M-A- RESTORATION INC 12/18/06	11 R 4558	4179	7F PAINT/PLUMB/TILEE	726.11		
	M-A- RESTORATION INC 12/18/06	11 R 4558	4180	10TH HALL CLOSET/PLUMB	316.20		
	M-A- RESTORATION INC 12/18/06	11 R 4558	4181	1K PAINT/PRIME/PLAST	1154.19		
	M-A- RESTORATION INC 12/18/06	11 R 4558	4182	11A PAINT/PLAST	999.12		
	M-A- RESTORATION INC 12/18/06	11 R 4558	4183	7E PAINT/PLAST	300.49		
	M-A- RESTORATION INC 12/18/06	11 R 4558	4184	2Y TILE SHE/ROCK PAINT	1086.17		
	M-A- RESTORATION INC 12/18/06	11 R 4558	4214	PAINT ABAC STAIRWAYS	1484.63		
	PRO CONCRETE CONTRAC 12/18/06	11 R 4558	5007	18000L CONCRETE	6500.00		
	M-A- RESTORATION INC 12/18/06	11 R 4558	4213	HALLWAY CEIL/WALL/DOOR	23897.50		
	PRO CONCRETE CONTRAC 12/18/06	11 R 4558	5002	DRAIN AREA PER PROPSA	6500.00	133277.44	133277.44
533	EXTERMINATING CONTRACTS		.00				
	ONE SOURCE PEST CONT 2/17/06	11 R 4259	400723	exterminating contract	280.69		
	ONE SOURCE PEST CONT 2/17/06	11 R 4259	407892	exterminating contract	280.69		
	ONE SOURCE PEST CONT 3/23/06	11 R 4302	415253	exterminating contract	280.69		
	ONE SOURCE PEST CONT 3/23/06	11 R 4302	411188	BEDBUGS IN/SERVICE	921.19		
	ONE SOURCE PEST CONT 5/ 1/06	11 R 4344	423034	exterminating contract	280.69		
	ONE SOURCE PEST CONT 5/16/06	11 R 4358	430354	exterminating contract	280.69		
	ONE SOURCE PEST CONT 7/26/06	11 R 4434	417977	exterminating contract	280.69		
	ONE SOURCE PEST CONT 7/26/06	11 R 4434	446212	exterminating contract	280.69		
	ONE SOURCE PEST CONT 8/25/06	11 R 4462	455179	exterminating contract	280.69		
	ONE SOURCE PEST CONT 8/25/06	11 R 4462	460226	FUEL SURCHARGE	2.71		
	ONE SOURCE PEST CONT 9/18/06	11 R 4469	466146	EXTERMINATING CONTRACT	280.69		
	ONE SOURCE PEST CONT 10/18/06	11 R 4520	473043	EXTERMINATING CONTRACT	280.69		
	ONE SOURCE PEST CONT 11/17/06	11 R 4558	474773	SVC FOR 13 APTS	162.56		
	ONE SOURCE PEST CONT 11/17/06	11 R 4558	479829	SVC TO ALL FLOORS	694.69		
	ONE SOURCE PEST CONT 11/17/06	11 R 4558	482601	SVC 2X PER MONTH	280.69		
	ONE SOURCE PEST CONT 12/18/06	11 R 4558	491159	2X PEST MGMT SVC	280.69	5359.67	5359.67
010-5334	ELEVATOR CONTRACTS		.00				
	CONSOLIDATED ELEVATO 3/23/06	11 R 4310	APPL#1 APPL#1 3/06/06	27858.95			
	NEW YORK ELEVATOR 4/ 6/06	11 R 4319	667694	elevator contracts	851.83		
	NEW YORK ELEVATOR 4/ 6/06	11 R 4319	664779	elevator contracts	851.83		
	NEW YORK ELEVATOR 4/ 6/06	11 R 4319	663346	elevator contracts	851.83		
	NEW YORK ELEVATOR 4/ 6/06	11 R 4319	667681	04/06 MAINTENANCE	851.83		
	NEW YORK ELEVATOR 4/ 6/06	11 R 4319	668791	SERVICE CALL	256.85		
	NEW YORK ELEVATOR 6/26/06	11 R 4402	670573	ELEVATOR SERVICE	772.55		
	CONSOLIDATED ELEVATO 7/26/06	11 R 4419	505629	elevator contracts	459.59		

EXHIBIT J

Dalton Management Company, LLC

P.O. Box 1763
New York, NY 10106-1763
212-679-2900 Phone
212-679-2111 Fax

May 4, 2005

Merrill Lynch Funds
P. O. Box 8118
Boston, MA 02266-8118

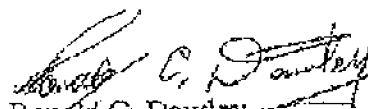
Re: Fifth & 106th St. Assoc.
Acct. #278-2483010-4

To Whom It May Concern:

Please deposit the enclosed check #04373, dated May 1, 2005 in the amount of \$82,720.00 into Fifth & 106th St. Associates Account #278-2483010-4.

If you have any questions please call me at (212) 679-9800 extension 103.

Yours truly,


Ronald C. Dawley
Chief Operating Officer

RCD/jm
Encl.

FIFTH AND 106TH ST ASSOCIATES

CHECK NO. 04373

INV. DATE	BUILDING ADDRESS	DESCRIPTION	INVOICE	VENDOR-BLD	G/L ACCT	AMOUNT
05/01/05	4 EAST 107TH STREET	05/05 TRANSFER	05/05	03MS-100	1215	82720.00
NO: MERRILL LYNCH FUNDS			DATE: 5/ 1/05		82720.00	

FIFTH AND 106TH ST ASSOCIATES

DAY ONE MGMT CO LLC AS BANKER 2800 NEW YORK, NY 10015

CHECK NO. 04373

DATE 05/01/2005

AMOUNT \$82,720.00

PAY TO THE ORDER OF: MERRILL LYNCH PIERCE FENNER & SMITH INC. 220 BROAD STREET NEW YORK, NY 10004

***82720.00

⑈004373⑈ ⑆021000021⑆230383823⑈

EXHIBIT K

0008/012

#6

Client: Fifth & 106th Street Associates
 Engagement: Fifth & 106th Street Associates
 Period Ending: 12/31/2008
 Workpaper: Financial Statement - JE

Account	Description	Debit	Credit
5131	SITE MGR FEE		
6337	100 CONTRACT SERV. O	2,667.00	
6515	JANITORIAL SUPPLIES	156.00	
2110	ACCOUNTS PAYABLE	2,198.00	
Total		<u>27,377.00</u>	<u>27,377.00</u>

Adjusting Journal Entries JE # 6
 To adjust commercial income

1132	COMMERCIAL A/R		
5140	RENT INCOME-COMMERCIAL	3,417.00	
1132	COMMERCIAL A/R	70,648.00	
5170	RENT INCOME-PARKING		3,458.00
5910	LAUNDRY INCOME		67,190.00
Total		<u>74,065.00</u>	<u>74,065.00</u>

Adjusting Journal Entries JE # 7
 To reclass rental concessions

5250	RENTAL CONCESSIONS		
1130	TENANTS ACC RECEIVABLE	11,709.00	
Total		<u>11,709.00</u>	<u>11,709.00</u>

Adjusting Journal Entries JE # 8
 To reclassify

5120	GROSS RENT INCOME		
6110	MISC SELLING AND RENTING	11,103.00	
6204	MANAGEMENT CONSULTANT	500.00	
6204	MANAGEMENT CONSULTANT	2,463.00	
6210	ADVERTISING & MKTG	82,908.00	
6340	LEGAL - RETAINER	12,433.00	
6341	LEGAL - COLLECTION	10,200.00	
6341	LEGAL - COLLECTION	30,167.00	
6342	LEGAL - OTHER	80,899.00	
6450	ELECTRICITY	39,884.00	
6522	DECORATING CONTRACTS	69,817.00	
6546	ELECTRIC REPAIRS	25,406.00	
6790	LICENSES, PERMITS, & INSP	1,800.00	
1131	ALLOWANCE FOR BAD DEBTS	3,500.00	
6120	MANAGEMENT FEE		11,103.00
6210	ADVERTISING & MKTG		500.00
6320	AUDIT		40,367.00
6331	SUPERS APARTMENT		82,908.00
6332	100 CONTRACT SERV. P		2,463.00
6340	LEGAL - RETAINER		1,800.00
6390	MISC ADMIN EXP.		104,183.00
6452	GAS-COOKING		2,163.00
6520	REPAIR CONTRACT		59,817.00
			25,406.00

EXHIBIT L

#6

FIFTH & 106TH ST ASSOC
NEW YORK, NY 10029
BLED RANGE: 100 TO 100

CUMULATIVE G/L - CASH BASIS
FROM: 01/01/2006 TO: 12/31/2006
FISCAL BEGINNING 1

PAGE: 31 PERIOD ENDING: 12/31/2006
RUN DATE: 11/05/2007
RUN TIME: 13:32:14

BLC-ACCT	ACCOUNT NAME	POSTED DATE	R.O.Y. PAI	CURRENT DEBITS	CURRENT CREDITS	NET CHANGE	Y.T.D. BAL
	MARKS PANETH & SHRON 3/21/06	11 R 5223	177583 QUARTERLY RETAINER	8538.75			
	MARKS PANETH & SHRON 10/18/06	11 R 5224	145832 2006-2007 TAX ANALYSIS	25000.00			
	MARKS PANETH & SHRON 11/17/06	11 R 5391	139923 2006 TAX PREP	7800.00			
	MARKS PANETH & SHRON 11/17/06	11 R 5391	176190 07/05-06/06 VARIOUS PR	9509.20			
	MARKS PANETH & SHRON 11/17/06	11 R 5391	103442 12/00-07/02 VARIOUS PR	15000.00			
	MARKS PANETH & SHRON 12/13/06	11 R 5431	170956 IRS TAX EXAMINATION	25600.00			
	MARKS PANETH & SHRON 12/13/06	11 R 5431	182272 9/06 QTRLY RETAINER	8538.75			108525.45
100-6230	100 PROFESSIONAL FEE OTHE		.00			.00	.00
100-6250	OTHER RENTING EXPENSE		.00				
	FIRST ADVANTAGE SAFE 2/17/06	11 R 4881	12/05 12/05 CREDIT CHK	84.04			
	FIRST ADVANTAGE SAFE 3/ 9/05	14 D 4893	12/05 ** VOID NO: 4681 **		-84.04		
	FIRST ADVANTAGE SAFE 3/17/06	11 R 4946	02/06 02/06 CREDIT CHECK	732.43			
	FIRST ADVANTAGE SAFE 7/10/06	11 R 5176	06/06 06/06 CREDIT CHK	863.49			
	FIRST ADVANTAGE SAFE 7/10/06	11 R 5176	04/06 04/06 CREDIT CHK	737.12			
	FIRST ADVANTAGE SAFE 7/10/06	11 R 5176	05/06 05/06 CREDIT CHK	1125.42			
	FIRST ADVANTAGE SAFE 3/15/06	11 R 5241	07/06 07/06 credit check	145.45			
	FIRST ADVANTAGE SAFE 10/ 6/06	11 R 5304	08/06 08/06 CREDIT CHECK	516.31			
	FIRST ADVANTAGE SAFE 12/ 8/06	11 R 5410	11/06 11/06 CR/CK NM345	516.31		4629.58	4629.58
100-6311	OFFICE EXPENSE		.00				
	ADP, INC. 5/17/06	14 D05/19	W/E 5/14/06	72.67			
	ADP, INC. 5/23/06	14 D05/25	W/E 5/21/06	79.54			
	BONY CK CHARGE 5/31/06	16 J 4703		68.70			
	ADP, INC. 6/ 1/06	14 D06/11	W/E 5/26/05	75.79			
	ADP, INC. 5/ 7/06	14 D06/08	W/E 6/04/05	76.79			
	ADP, INC. 6/13/06	14 D06/15	W/E 6/10/06	80.32			
	ADP, INC. 6/14/06	14 D06/15	W/E 6/11/06	59.44			
	ADP, INC. 6/23/06	14 D06/29	W/E05/ W/E06/22	76.79			
	ADP, INC. 6/24/06	14 D06/29	W/E05/ W/E06/25	78.17			
	ADP 6/30/06	16 J 4801		165.32			
	ADP, INC. 7/ 6/06	14 D07/03	W/E 7/01/06	85.54			
	ADP, INC. 7/12/06	14 D07/12	W/E 7/03/06	77.54			
	ADP, INC. 7/18/06	14 D07/20	W/E 7/15/06	75.17			
	ADP, INC. 7/25/06	14 D07/27	W/E 7/23/06	74.30			
	ADP, INC. 8/ 2/06	14 D08/03	W/E 7/30/05	76.17			
	ADP, INC. 8/ 2/06	14 D08/03	W/E 7/30/06	51.85			
	ADP, INC. 8/ 9/06	14 D08/10	W/E 8/06/06	61.65			
	ADP, INC. 8/ 9/06	14 D08/03	W/E 8/05/06	52.05			
	ADP, INC. 8/16/06	14 D08/17	W/E 8/13/06	50.43			
	ADP, INC. 8/23/06	14 D08/23	W/E 8/20/06	74.80			
	ADP 8/31/06	16 J 4977		74.80			
	ADP, INC. 9/ 5/06	14 D09/06	W/E 9/03/05	72.06			
	ADP, INC. 9/10/06	14 D09/20	W/E 9/17/06	73.42			
	ADP, INC. 9/26/06	14 D09/27	W/E 9/24/06	74.80			
	ADP PRE 9/30/06	16 J 5072		78.61			
	ADP, INC. 10/ 1/06	14 D10/04	W/E 10/01/06	78.69			
	ADP, INC. 10/10/06	14 D10/11	W/E 10/08/06	74.80			

EXHIBIT M

NEW YORK STATE DIVISION OF HOUSING AND
COMMUNITY RENEWAL
26 BEAVER STREET
NEW YORK, NEW YORK 10004

RETAINER AGREEMENT FOR AUDITING SERVICES

Between: Fifth and 106th Street Associates
Housing Company

DH 14-86
Project Number

And: Marks Paneth & Shron, LLP
Accounting Firm

622 Third Avenue, 7th Floor, New York, NY 10017
Address of Accounting Firm

For the Fiscal Year Ending December 31, 2004

The purpose of this agreement is to confirm our understanding of the scope of services to be provided by our firm for the above housing company for the fiscal year noted above.

Our responsibility will be to audit and express an opinion on the annual financial statements. We shall also compile quarterly financial statements. These financial statements will be the responsibility of the housing company.

The nature and manner of services to be performed for each aspect of the engagement are detailed below:

1. Auditing and Reporting on the Certified Annual Financial and Operating Report

Our audit will be conducted in accordance with current American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards (SAS). We will include all procedures we consider necessary to be able to render an opinion on the fairness of the financial statements and schedules presented in conformity with generally accepted accounting principles and reporting guidelines of DHCR's chart of accounts, Form HAA-91a, for limited profit housing companies.

We will express an opinion on the Comparative Balance Sheet, Statement of Income and Expense and Partners' Equity (Deficit). We will also attach and express an opinion on a Statement of Cash Flows. All other information in the Annual Report will be considered supplemental, unless otherwise stated in the opinion.

We will forward directly to DHCR an original and two copies of the DHCR Annual Report, with all required attachments, within sixty (60) days after the close of the fiscal year.

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1a. Government Auditing Standards (Required for Companies with Section 236 Subsidy Contracts, Section 223F Insured Mortgages, 100% Section 8 New Construction and Substantial Rehabilitation and Recommended for All Other Companies)

In addition to the AICPA Statements on Auditing Standards, we will also follow Government Auditing Standards, issued by the Comptroller General of the United States, and the Consolidated Audit Guide for Audits of HUD Programs as they pertain to financial compliance audits. Those audits and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the Partnership complied with laws and regulations, non-compliance with which would be material to a major HUD assisted program. Appropriate reports on compliance and on the internal control structure will be prepared and submitted together with the DHCR Annual Report, within the time limit specified in section 1 above.

2. Tax Returns

We shall prepare the Federal, State and local tax returns of the housing company in accordance with applicable tax laws.

3. Report on Non-Compliance, Errors, Illegal Acts, Irregularities and Significant Deficiencies or Failures in Internal Control.

During the course of the audit, certain matters may come to our attention concerning illegal acts, irregularities, errors, or significant deficiencies or failures in the design or operation of the internal control structure. Also during the course of the audit, certain matters may come to our attention concerning instances of non-compliance with applicable statutes, government regulations, or loan, subsidy or grant agreements with federal, state and/or local governments.

We will immediately notify DHCR, in writing, of any indication of non-compliance, illegal acts or irregularities with respect to the operation of this housing company. Further, we will provide DHCR with copies of any correspondence issued concerning errors, or significant deficiencies or failures in the design or operation of the internal control structure. Written notification to DHCR will also be made of oral communication to the housing company or its representatives concerning any of these matters. However, notification to DHCR need not be made for matters clearly inconsequential to the sound financial operation of the housing company.

4. Quarterly Financial and Operating Reports (unaudited), Form HAA-243 (Quarterly Report For Rentals) or Form HAA-243a (Quarterly Report for Cooperatives)

We shall compile the quarterly reports in accordance with standards established by the AICPA. We will transmit an original and two copies of each quarterly report together with the compilation report, directly to DHCR within forty-five (45) days after the close of each quarter. Since these accounting services do not constitute an audit of the above housing company, we will not be in a position to express an opinion or any other form of assurance on these quarterly reports.

-3-

If the Division form HAA-243 is not used, the quarterly reports shall, at a minimum, contain the same information in the same order as detailed in the Division's format. Category classification, account descriptions and format must be the same.

5. Extension of Time

In the event an extension of time may be required because the books and records are deemed not to be in satisfactory condition for performing an audit or completing and filing any of the above reports, such deficiency, other than those covered in Section 3, will be disclosed in writing to both the housing company and DHCR not later than twenty (20) days after the end of the quarter. If the company cannot correct such deficiencies within fifteen (15) days after such notification, we will again notify the company and DHCR, in writing, of our inability to perform the audit, or to complete and file any of the above reports. Prior written Division approval will be obtained for any additional work required to prepare the books and records for the audit.

6. Audit Working Papers and Records

Our working papers, records, copies of tax returns, audit related correspondence and other evidence of audit will be retained by us for a period of not less than six years and, upon request, will be made available in the State of New York during normal working hours, to authorized representatives of DHCR, and/or UDC, MLC, PFA or HFA, as applicable.

7. Affirmation

We affirm that we are certified (licensed) public accountants in the State of New York and are able to render an impartial opinion in accordance with AICPA general standards on auditing and Governmental Auditing Standards, if applicable.

8. Accounting Services Not Covered

It is understood that this retainer does not cover services such as initial set-up work, other special work in connection with Budget/Rent Determinations or extensions in scope related to poor internal controls. Prior written DHCR approval will be requested for any accounting services rendered to the housing company.

9. Fee

The total fee for this engagement will not exceed \$34,168 inclusive of all costs and expenses. The fee is based on hours worked by all levels of staff, at our standard rate applicable to each, forming a composite rate of \$621 per day for 55 person days.

We shall render billings for our professional services, as performed. The total of the billings will not exceed the maximum above.

-4-

After the conclusion of each yearly audit we will provide to the housing company and to DHCR upon request, a schedule of actual hours worked and the fees that would be obtained by application of our normal billing rates for services in connection with the retainer.

10. DHCR and Housing Company Approvals

The retainer agreement will be effective upon written approval by DHCR and will be automatically extended, unless notification is given by either party. Written approval by the managing general partner (if a limited partnership) will be transmitted to DHCR along with this executed agreement.

Any change in fee or other changes to this Retainer Agreement shall be submitted in writing to and shall be subject to written approval by the Division of Housing and Community Renewal.

For: Marks Paneth & Shron, LLP
Name of Accounting Firm

By: 

(Signature) for Accounting Firm

Date

For: Fifth & 106th Street Assoc.
Name of Housing Company

By: 

Robert W. Soprey
Managing General Partner
Fifth & 106th St. Associates

Date

Approved by DHCR

By: _____

Signature

Date

Title



Marks Paneth
& Shron LLP

Certified Public Accountants
and Consultants

December 31, 2004

Heywood Towers Associates
Phyllis Seavey, Esq.
Seavey & Seavey
Three Park Avenue
New York, New York 10016

Dear Madam,

We are pleased to confirm our understanding of the services we are to provide for Heywood Towers Associates for the year ended December 31, 2004. We will audit the balance sheet of Heywood Towers Associates as of December 31, 2004, and the related statements of operations, changes in partners' capital (deficiency), and cash flows for the year then ended.

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors that come to our attention, and we will inform you of any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify reportable conditions, that is, significant deficiencies in

622 Third Avenue
New York, NY 10017-6701

Telephone 212 503 8800
Facsimile 212 370 3759

88 Froehlich Farm Boulevard
Woodbury, NY 11797-2921

Telephone 516 992 5900
Facsimile 516 992 5800

Website www.markspaneth.com



Associated worldwide with
Jeffrey's Henry International

December 31, 2004
Page 2

the design or operation of internal control. However, during the audit, if we become aware of such reportable conditions, we will communicate them to you.

You are responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. This responsibility includes the establishment and maintenance of adequate records and effective internal controls over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. You are responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the company involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Our fees for these services will be based on the actual time spent at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable upon presentation. Based on our preliminary estimates, the fee should not exceed \$16,800, plus out-of-pocket costs such as report production, tax return processing, typing, postage, etc. This fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,


Mark Paneth & Shron LLP

RESPONSE:

This letter correctly sets forth the understanding of Heywood Towers Associates

By: _____

Title: _____

Date: _____

EXHIBIT N



**Marks Paneth
& Shron**

Certified Public Accountants
and Consultants

Fifth and 106th Street Associates
c/o Dalton Management
3 Park Avenue
28th Floor
New York, NY 10016

Invoice No. 138923
Date ~~8/1/06~~
Client No. 0018700.0003

FOR PROFESSIONAL SERVICES RENDERED:

2003 tax prep.

\$ ~~7,800.00~~

HL-94056

FIFTH & 106TH STREET ASSOCIATES

CHECK NO. 05391

INV. DATE	BUILDING ADDRESS	DESCRIPTION	INVOICE	VENDOR-BLC	G/L ACCT	AMOUNT
082802	4 EAST 107TH STREET	10/00-07/02 VARIOU	103442	04MA-100	6220	
060404	4 EAST 107TH STREET	2003 TAX PREP	239923	04MA-100	6220	
062106	4 EAST 107TH STREET	07/05-06/06 VARIOU	179390	04MA-100	6220	
						9509.20
TO: MARKS PANETH & SHRON, LLP			11/17/06 NO. 5391		32309.20	

EXHIBIT O

Fees

UDC 485

Development Number

Schedule 14:

HAA-77.17 (11/95)

EXHIBIT P

ROBERT W. SEAVEY

THREE PARK AVENUE
NEW YORK, N.Y. 10016

(212) 982-0333
FAX (212) 481-3850

April 18, 2007

Mars Norriel, A Joint Venture
2200 Fletcher Avenue - 5th Fl
Fort Lee, NJ 07024

-And-

Mt. George Kleinman
15 Governors Lane
Princeton, NJ 08540

-And-

John L. Edmonds, Esq.
187-20 Grand Central Parkway
Jamaica, New York 11432

Gentlemen:

The IRS has completed their review of our IRS return for the year ending December 31, 2003. They have not proposed any adjustment to the return and for that reason they will not issue a Notice of Final Adjustment.

I am sending you this letter in accordance with Federal law.

Very truly yours,

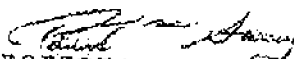

ROBERT W. SEAVEY

EXHIBIT Q

Cameron, Griffiths & Pryce, CPAs, LLC
739 Utica Avenue, Brooklyn, New York, 11203
Phone: 718-467-8535 Fax: 718-953-8323

Client Request Memo

May 16, 2007

To: Dalton Management Company, LLC
C/o Nealle B Scavey
3 Park Ave, 28th Floor
New York, NY 10016

Re: Audit of Logan Plaza 2006

In order for us to complete the testing of payroll expenses charged to office salaried on Logan plaza, we need to review personnel files for the following individuals. These individuals wages were allocated to office salaries.

1. Michael Hill
2. Joyce Murphy
3. Cheryl Labelle
4. Alonzo Rodgers
5. Joan Mondesir
6. David Givens
7. Ronald Dawley

[illegible]

NOTICE OF ENTRY

Sir: Please take notice that the within is a (certified) true copy of an

duily entered in the office of the clerk of the within named court on

Dated,

Yours, etc.,
M. DOUGLAS HAYWOODE
Attorney for Plaintiff

Office and Post Office Address:
71 MAPLE STREET
BROOKLYN, NEW YORK 11225-5001
(718) 940-8800
Fax (718)-940-9574

To:

Attorneys

NOTICE OF SETTLEMENT
Sir: Please take notice of an

of which the within is a true copy will be presented for settlement to the Hon.

one of the judges of the within named Court, at on.
Dated,

Yours, etc.,
M. DOUGLAS HAYWOODE
Attorney for Plaintiff

Office and Post Office Address
71 MAPLE STREET
BROOKLYN, NEW YORK 11225-5001
(718) 940-8800
Fax (718)-940-9574
To:

Index No.:

Year: 2007

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JOHN L. EDMONDS, INDIVIDUALLY AND
AS A MANAGING GENERAL PARTNER OF
FIFTH AND 106TH STREET HOUSING
COMPANY, INC., LOGAN PLAZA
ASSOCIATES, LP, CHARLES H.
ASSOCIATES a/k/a CHARLES H. HILL
ASSOCIATES, LP AND AS A LIMITED
PARTNER OF CHURCH HOME
ASSOCIATES, LP,

Plaintiff,

-against-

ROBERT W SEAVEY, INDIVIDUALLY AND
AS A GENERAL PARTNER OF FIFTH AND
106TH STREET ASSOCIATES, LP, LOGAN
PLAZA ASSOCIATES, LP, CHARLES HILL
ASSOCIATES, CHARLES HILL
ASSOCIATES, LP AND AS A LIMITED
PARTNER OF CHURCH HOME
ASSOCIATES *et alno.*

To:

Service of a copy of the within
is hereby admitted.

Dated,

.....
Attorney(s) for Defendant

ORDER TO SHOW CAUSE

M. DOUGLAS HAYWOODE
Attorney for Plaintiff
Office and Post Office Address, Telephone
71 MAPLE STREET
BROOKLYN, NEW YORK 11225-5001
(718) 940-8800
Fax (718)-940-9574